

Sponsor Statement

HB 409: Campaign Expenditures

Sponsored by House State Affairs Committee

HB 409 tries to balance the needs of government to hold fair and transparent elections with the First Amendment rights of corporations and labor unions to engage in political speech.

The U.S. Supreme Court recently ruled that federal law prohibiting “independent expenditures” for campaign purposes by corporations and labor unions is unconstitutional. As a result, similar provisions in the statutes of Alaska and many other states are likely unconstitutional.

Although such speech may not be suppressed altogether, the Court ruled that government may regulate corporate political advertising through disclaimer and disclosure requirements. Alaska needs new legislation to fill the “gap” on campaigning accountability if our current prohibitions on independent expenditures by certain organizations are no longer compliant.

HB 409 does that by expanding Alaska’s current disclosure and disclaimer laws on candidates, groups and individuals to include corporations and labor unions under the definition of “persons,” specifically when it comes to standards for reporting and identification of expenditures.

The bill requires a corporation or labor union to report to the Alaska Public Offices Commission within three days of making an expenditure. The report must include an itemized list of expenditures occurred or authorized; the names, addresses and nationality of the board of directors; the amount of contributions made towards the political expenditure; the address and employer of anyone who has contributed \$100 in a calendar year; and whether the expenditure was made to support or oppose a ballot initiative or candidate.

Any report, except by an individual, must be certified as correct by the treasurer or fiscal officer of the relevant organization. Also, the principal officer must certify to APOC in writing that the officer reviewed the communication, and based on the officer’s knowledge, it is not defamatory.

Under HB 409, all political communications made by corporations and unions shall be clearly identified with the following information: the principal officer; a statement from the principal officer approving the communication; the address of the person’s principal place of business; and the five largest contributors.

The Supreme Court Decision has changed the campaign landscape across the United States, and Alaska is no exception. The disclosure and disclaimer provisions of HB 409 attempt to keep these independent expenditures as transparent as possible while striking a balance between the right to free speech and the right to fair elections.